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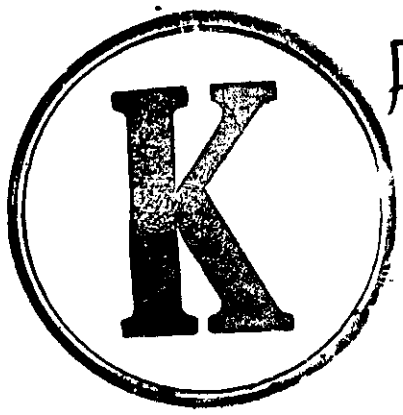


Fisheries and Industries/57. Pt. I

Legal Department

E Branch

Loans under the State Aid to Industries Rules 1935

(P) 7/E)

Fisheries and Industries/57. Pt. I

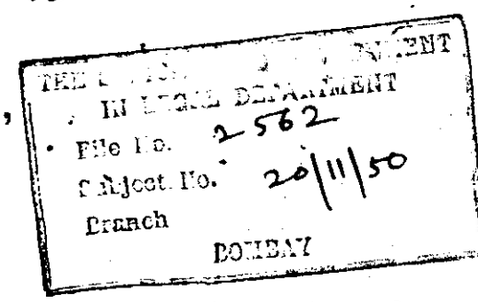
115-E

257 SN 18/11

No. 1953 SAI/37337/
Office of the Director of Industries,
Old Custom House Yard, Fort,
Bombay-1, 18 Nov. 1950.

To

The Solicitor to Government,
Legal Department,
Secretariat,
Bombay.



Subject:- M/S. Shevde's Camera Works Ltd, Belgaum.

Sir,

I have the honour to state that the above company was granted a loan of Rs. 50,000/- in August 1948. Against the loan amount, the company has mortgaged to Government all its assets including those purchased or to be purhcased with the said loan and has executed the necessary mortgage deed in this respect (copy attached).

As the company failed to pay two instalments towards the repayment of loan, the possession of the mortgaged pro--perties was taken over by this Department under instruction of Government in Development Department. The company has also been served with a notice to repay the Government loan of Rs. 50000/- plus interest due thereon forthwith.

It was understood that the company had credited into the New Citizen Bank of India Ltd, Bombay a sum of Rs. 40000/- as fixed deposit and against this security an over--draft amount of Rs. 25000/- was opened by the Bank in its favour. The Bank was, therefore, requested to pay to this Department the balance of Rs. 15000/- immediately to which it informed that the fixed deposits of M/S. Shevade's Camera Works Ltd, have been adjusted towards repayment of the dues of the company to the Bank as per their lien and agreement with it

The Bank was again requested, in view of its letter dt. 28/6/50 (copy enclosed) accepting the first charge of Government on the assets present and future of the company to arrange to pay to this Department, the balance amount of Rs. 15000/- standing to the credit of the Company. In this connection a copy of the Bank's reply

2523

attached herewith for your information.

I, therefore, request you kindly to suggest if any action can be taken for effecting the recovery of Rs. 15000/- from the Bank.

Yours faithfully,

Director of Industries.

LF.15/11/478.

Legal Department. 27/3/51

The draft Mortgage Deed at pages 19-23 as now amended may be prescribed when the loan is granted to limited companies and the draft Mortgage Deed at pages 33-43 may be prescribed when the loan is granted to individuals. In either case full particulars of the assets offered as security should be set out in the Schedule. The surety Bond at page 25 is in order.

RN 26/3

Solicitor to Government.

U.R.to D.D.,No. 4611 dated the 27th March 1951.

MRP.
26/3.

Issued 27-3.

14

Fish Fisheries and Shellfish

Submitted after issue
Title in Fisheries & Industries 1/54

Sept 54
Sols RW 28/3

Copy.

THE NEW CITIZEN BANK OF INIDA LTD.
SIR VITHALDAS CHAMBERS,
16, APOLLO STREET? FOR.

Ref. No. L/3-1544 Bombay No. 1, 6th Novemb. 1950.

The Director of Industries,
Old Custom House Yard,
Fort, Bombay.

Dear Sir,

Re:- Shevde's Camera Works Ltd;
Belgaum.

We have to acknowledge your letter No. 1953/SAD/34643 dated 2.11.50 and we beg to inform you that we have agreed to your 1st charge only on the immoveable assexts of the above company at Belgaum. All other items are outside the scope of your charge; we therefore regret that we cannot acceede to your request of paying Rs. 15,000/- to you for the credit of the above company. We have once again to inform you that no amount of M/S. Shevde's Camera Works Ltd., is now lying with us and whatever amount was with us has been legally appropriated by us under our lien, which fact has already been communicated to you.

Thanking You,

Yours faithfully,

Sd/-
SECRETARY.

LF.17/11.

Copy.

THE NEW CITIZEN BANK OF INDIA,LTD.

SIR VITHALDAS CHAMBERS,
16, APOLLO STREET,FORT.

Ref. No. A/C 8938 Bombay, 28th June, 1948.

The Director of Industries,
Old Custom House,
Bombay.

Re:- Loan to Messrs. Shevade's Camers Works Ltd.

Ref:- Your letter No. SAI(232)/2014 d/24-6-48

In continuation of our letter No. AC/8124 of 1st May 1948, and with reference to your above mentioned letter, we have pleasure to inform you that we have accepted the -- arrangement of Second charge on the assets, present and future, of Messrs. Sheyade's Camera Works Ltd. Belgaum, subject to the first charge of the Government of Bombay, as a result of our discussions and negotiations with the Board of Directors of Messrs. Shevade's Camera Works Ltd.

Inasmuch as our Bank has now agreed to accept the second charge on the assets of Messrs. Shevade's Camara Works Ltd., we have to request you to see your way to make prompt arrangement for releasing the amount of loan to Messrs. Shevade -'s Camera Works Ltd.

We had requested you to send a draft copy of the agreement to be entered into between the Government of Bombay and Messrs. Shevade's Camera Works Ltd., for our per--usal, but you have not supplied it so far. We have now, however, to request you to send a copy of same after you execute the deed of first charge on the assets of Messrs. Shevade's Camera Works Ltd.

Please do the needful & oblige.

Yours faithfully,

Sd/-
MANAGING DIRECTOR.

LK.17/11/.

No. 4608

Legal Department,

Bombay Castle (Bombay No.1), 22nd March 1951.

To

The Director of Industries,
Old Custom House Yard,
Fort, Bombay.

Subject:- Messrs. Shevade's Camera Works Ltd.,
Belgaum.

Sir,

With reference to your letter No. 1953 SAI-37337, dated the 18th November 1950, on the subject noted above, I have the Honour to state that the Bank has purported to exercise its general lien over the fixed deposit amounts of Messrs. Shevade's Camera Works Ltd.,lying with it. Under the provisions of the mortgage-deed Government has first charge on the assets specified in the Schedule and a floating security on all other assets of the Company. Although the Bank had accepted a second charge on the specified assets it did not purport to waive its lien expressly. The provision in the mortgage deed that the amount is recoverable as arrears of land revenue would only refer to the procedure and would not bind a third party. It is, therefore, not feasible to recover the amount from the Bank.

Yours faithfully,

o/c RN 20/3

Solicitor to Government.

KC. 20.3.51.

Issued
Lwe
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Submitted after some

262 File in Fisheries & Wildlife/57
Prof
24/3

Ans Sdr. Prof 24/3

9. The Mortgagor doth hereby further agree and declare as follows :-

(a) The Board of Directors of the Mortgagor Company shall co-opt Directors nominated by the Government of Bombay and the Articles of Association shall make due provision for such nomination. The Directors nominated by the Mortgagee shall not be liable to retire by rotation and shall have a right of appeal to the Mortgagee against any decision of the Board or the Company in a general meeting which in their opinion affects or his likely to affect the interest of the Mortgagee in regard to the repayment of the loan or the security hereof, such appeal to be made within two weeks from the date of such decision and to be presented to the Mortgagee through the Chairman of such meeting who may also present the view of the Board or of the share-holders as the case may be to the Mortgagee and the orders of the Mortgagee on such appeal which shall be passed within one month from the receipt of such appeal shall be final and binding on the Mortgagor.

(b) Until the whole of the said loan and interest is re-paid the Mortgagee shall be at liberty to have the accounts of the Mortgagor audited by its own auditors but at the cost of the Mortgagor.

(c) That the Mortgagor Company shall not pay any divident to any share-holders of the Company without the previous specific sanction of the Government of Bombay so long as the said loan has not been repaid.

(d) The Mortgagor shall comply with the provisions of section 109 of the Indian Companies Act,1913 and shall cause this Mortgage to be registered within the prescribed time.

(e) The Mortgagor shall not issue any debenture accept deposit or raise any other loans unless it has obtained the previous sanction of the Mortgagee.